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1 LOS ANGELES, CALIFORNIA; THURSDAY, JUNE 7, 1984; 9:07 A.M.

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4 THE COURT: I guess we just finished the five series?

5 MR. LITT: Six, I believe, Your Honor.

6 MR. FLYNN: We are on 7A, I believe, Your Honor.

7 THE COURT: 7A is a dispatch from LRH, 3/4/67,
8 regarding -- so forth. Are you offering this, Counsel?

9 MR. FLYNN: I am, Your Honor.

10 Mr. Armstrong testified that there was
11 evidence -- you keep on your books the sale price of
12 St. Hill as a business. It shows the origins of the Sea
13 Organization, payment of Sea Organization personnel by
14 Mr. Hubbard, and items of that nature.

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1 THE COURT: Any additional objection, Mr. Litt?

2 MR. LITT: I think -- can I take a look at it, Your
3 Honor?

4 I don't have any of these documents. Maybe I had
5 better stand over here.

6 First Amendment, financial and religious privacy,
7 Your Honor.

8 THE COURT: It will be overruled. It will be
9 received.

10 Seven B's is a letter to Dear Mr. Wesikirch.

11 MR. FLYNN: Those relate to Mr. Purcell and Mr. Hubbard
12 corresponding with regard to the fact that Alexis was
13 Mr. Hubbard's daughter.

14 MR. LITT: Your Honor, I believe that is a letter to
15 an attorney. Mrs. Hubbard testified that Mr. Wesikirch
16 represented, I believe, both her and her husband in this
17 period. I haven't read the letter, but I do know the name
18 Weiskersch.

19 MR. FLYNN: There are a number of letters, Your Honor.

20 THE COURT: There are two letters.

21 Well, it does appear these may be of a nature --
22 it is hard to tell. I'll sustain the objection. I'll order
23 it sealed, seven B's.

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1 We have 7C's as re the PR Counsel, 29 October,
2 '81 from Monica to Durel.

3 MR. FLYNN: That is the document, Your Honor, that
4 authorized Mr. Garrison in advance of the book publication
5 to go around and do a video based on the document, go around
6 the world. It is somewhere on the third or fourth page.
7 Both Mr. Garrison and Mr. Armstrong testified about that.

8 We are offering it to show the scope of
9 discretion and authority possessed by Mr. Armstrong and by
10 Mr. Garrison to use the documents in connection with the
11 biography project.

12 MR. LITT: Is there is a particular page that you are
13 referring to?

14 MR. FLYNN: I'd like to look through it. I remember
15 looking through it before and seeing it with Mr. Armstrong.

16 In any event, the entire document shows that
17 the motion activity was taking place, but it is here
18 somewhere.

19 MR. LITT: I don't have anything additional, but it
20 seems to me to be rather irrelevant. There is no testimony
21 that anything occurred or was even authorized in this meeting.

22 MR. FLYNN: Laurel Sullivan testified that it was
23 authorized.

24 THE COURT: There is nothing there, other than the
25 testimony itself is available. I will sustain the objection.
26 Clutter up the record.

27 7D is a letter on the letterhead of
28 L. Ron Hubbard personal office public relations, 17 November,

1 1980 from Gerry to Helen O'Brien.

2 MR. FLYNN: For the record it was item No. 3 on
3 one of those pages.

4 MR. LITT: I would object as to its relevance, Your
5 Honor.

6 THE COURT: Overruled.

7 7E is a letter apparently by Mr. Hubbard,
8 a draft of a letter concerning inquiry by Parliament into
9 Scientology and a lawsuit against the Daily Mail.

10 MR. FLYNN: There is some language in there with
11 regard to attacking the media, attacking the press.

12 It is our view, Your Honor, that that type
13 of language and intimidation by Mr. Hubbard permeated the
14 entire organization, is what made Mr. Armstrong feel the
15 way he did throughout the period he was involved.

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1 MR. LITT: I don't have anything other than what has
2 already been raised.

3 THE COURT: Well, I'll receive it in evidence. If
4 nothing else, it is evidence of his handwriting.

5 Seven F's is a draft of a wire to the editor of
6 the Daily News regarding Formosa.

7 What is the theory of that, counsel?

8 MR. FLYNN: I think it is the same, Your Honor. I have
9 to take a look at it.

10 THE COURT: It says, "Tell the world that we can have
11 it if we want it, the United States."

12 MR. FLYNN: It is Tom Esterbrook. He is writing under
13 someone else's name.

14 MR. LITT: I thought we had established that that was
15 a pen name, Your Honor.

16 THE COURT: Well, for whatever it is worth, I'll
17 receive it.

18 H is to whom it may concern on the personal
19 office of L. Ron Hubbard, LRH personal secretary by
20 Mrs. Pat Brice.

21 MR. FLYNN: That is in evidence already as exhibit BB
22 which is not under seal. That is the authorization from
23 L. Ron Hubbard's personal secretary.

24 THE COURT: If it is already in evidence, there is no
25 reason to receive it.

26 MR. FLYNN: We won't offer it.

27 THE COURT: Seven I's.

28 MR. FLYNN: That relates to the claim that he was a

1 Provost Marshall of Korea. That claim is made in that data
2 sheet.

3 MR. LITT: I don't have anything to add on seven I's,
4 Your Honor.

5 THE COURT: It will be received.

6 Seven J's.

7 MR. FLYNN: That relates to transfers of monies, Your
8 Honor. It should be in Mr. Hubbard's handwriting and it
9 refers to HEC and I believe OTS.

10 I believe it relates to the transfers of monies
11 between the Church of Scientology and HEC, showing Mr. Hubbard
12 to be receiving funds.

13 MR. LITT: First Amendment, financial, and religious
14 privacy.

15 THE COURT: Overruled. It will be received.

16 Okay. Apparently that is the end of the
17 defendant's. Happy days.

18 Now we'll go over the plaintiff's.

19 MR. FLYNN: We have that one exhibit that we passed.
20 I culled it.

21 THE COURT: That is a dirty word.

22 MR. FLYNN: I pulled out a few exhibits that relate
23 to a little chronology and financial condition which relate
24 to a number of claims by Mr. Hubbard.

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1 THE COURT: Okay, we can submark this group as
2 triple Y--1 collectively.

3 MR. LITT: Well, I don't think, other than the general
4 things that have already been raised about the Naval and
5 VA records generally --

6 THE COURT: All right. I will receive it in evidence.

7 MR. LITT: That was triple Y sub --

8 THE COURT: 1, and the other will just remain as an
9 exhibit for identification.

10 You also said something about a declaration of
11 Mr. Armstrong you wanted to mark as an exhibit?

12 MR. FLYNN: Right, Your Honor. It is the one I gave
13 to the court with regard to the MCCS tapes.

14 THE COURT: All right.

15 MR. FLYNN: And I'd also like to mark, Your Honor,
16 the declaration of Andrew Lenarcic.

17 THE COURT: Well let's see if we have these
18 declarations.

19 MR. FLYNN: I have a copy of Lenarcic's with me.
20 The original is in the court file.

21 THE CLERK: Is it attached to something?

22 MR. FLYNN: It was attached to the original complaint
23 to get the restraining order.

24 THE COURT: I have a supplemental affidavit.

25 MR. FLYNN: That's it.

26 THE COURT: Of Mr. Armstrong.

27 MR. FLYNN: That's it.

28 MR. LITT: Your Honor, if it is the declaration or

1 affidavit, what I am thinking of, what it does is it purports
2 to transcribe a portion of the MCCS tape, the privilege on
3 which has been upheld, and since the privilege has been upheld,
4 one, I see no relevance in marking it and two, it is
5 improper because it violates the privilege.

6 MR. FLYNN: Your Honor, depending on what happens
7 to the case, it has been --

8 THE COURT: Well I will mark it as an exhibit for
9 identification. Since it purports to be something which I
10 have concluded is at least provisionally privileged, I will
11 order it sealed so we can mark that defendants 4J, and we will
12 seal it along with any other exhibits that have been received
13 for identification and put under seal.

14 MR. FLYNN: With regard to the sealing order, Your
15 Honor, that exhibit has been filed in several cases where
16 it is not under seal.

17 MR. LITT: Well, there are motions in those cases with
18 respect to it, Your Honor. I think in this case it is
19 properly sealed.

20 The other courts will have to treat it as they
21 deem fit when they reach the issues.

22 THE COURT: I think that is probably accurate.
23 It is available. It is part of the file.

24 Okay, now, we have some plaintiff's exhibits.

25 MR. FLYNN: And I have that Lenarcic declaration,
26 Your Honor.

27 THE COURT: The who?

28 MR. FLYNN: I'd like to offer that in evidence.

1 That was attached to the original complaint to get the
2 restraining order and the preliminary injunction and, of
3 course, as Your Honor can see from reading it, the position
4 taken at trial is virtually 180 --

5 THE COURT: Didn't you ask me to take judicial notice
6 of that at one time and didn't I do so?

7 I have forgotten.

8 MR. FLYNN: It was left up in the air. It was never
9 resolved.

10 THE COURT: Okay. We can mark this next in
11 order and since it is already a part of the court file which
12 the court can take judicial notice of, not as evidence of
13 the truth of what is therein asserted, just that this was an
14 assertion by Mr. Lenarcic at that time.

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6-1 1 MR. FLYNN: That will be in evidence, Your Honor?

2 THE COURT: Yes. It will be received in evidence, four
3 K's.

4 All right. Are there any of these that you are
5 aware of that you have any objection to, Mr. Flynn?

6 MR. FLYNN: Our general view, Your Honor, is what
7 Mr. Litt is doing is introducing all of these letters of
8 Mary Sue Hubbard and L. Ron Hubbard.

9 MR. LITT: I haven't introduced anything yet. I only
10 have them marked. I'm going to offer many of them, but let
11 me tell you how I would like to do it.

12 THE COURT: All right.

13 MR. LITT: Any spousal letters, I do not wish to enter.
14 I wish a ruling that they are spousal communications and are
15 privileged because I want a record of that. And I don't
16 intend to introduce those documents.

17 I do intend --

18 THE COURT: We have a problem with her letters. She
19 was, obviously a spouse, but she was also a Guardian
20 Controller of this Church. And he was the founder. And
21 there is a lot of other evidence that he was directing the
22 Church through her or some of the activities of the Church
23 through her.

24 So it seems to me that communications between
25 them that are in that general capacity, certainly, aren't
26 to be treated as privileged communications.

27 MR. LITT: I think unless, Your Honor, it can be
28 demonstrated that these were formal organizational

5-2
1 communications, if a husband and wife have communication
2 about, say, business matters which are not transmitted
3 through the business, but are done between the two of them,
4 they are confidential even though they discuss, for example,
5 business matters.

6 The letters clearly are not addressed to her
7 post; nor are they signed in the way that normal
8 organizational letters are signed. They are private
9 correspondence that may discuss Church matters and may give
10 his opinion on Church matters.

11 THE COURT: The problem that I have is that if you are
12 going to contend that on the one hand these are private and
13 personal and can't be read by anybody or considered by them,
14 but on the other hand you are going to contend that
15 Mr. Armstrong was wrong in taking this without giving an
16 explanation for whatever purposes that he took them, then
17 I think that is rather -- you can't have it both ways.

18 It seems to me that if he took these, he is not
19 a lawyer; he was not a lawyer and has a right to explain or
20 demonstrate why he took any particular letter. If you want
21 it sealed and not disclosed, then I am not going to consider
22 it. I can't consider it as a basis for any cause of action
23 here.

24 MR. LITT: I'm not asking as such that the Court
25 consider the contents.

26 It is our position, among other things, that
27 certain types of things, even in the context of this defense,
28 simply should not be permissible. We'll argue that in

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1 argument.

2 The Court may not agree with that. And that is
3 fine. I understand that if the Court doesn't agree with
4 that.

5 On the other hand, they are, in fact, I believe,
6 privileged. And so all we are asking for at this point is
7 a determination reflecting that. And we don't intend to
8 introduce into evidence --

9 THE COURT: If you take the position it is privileged,
10 the Court is going to deem that you are making no claim for
11 any damages based on Mr. Armstrong taking the particular
12 letters because there is no way for me to evaluate his claims
13 without having the contents in evidence.

14 MR. LITT: I understand that is the Court's position.
15 We disagree with it, of course, and would like not now, but
16 in the context of argument, to, at least, have the opportunity
17 to argue that further.

18 But if that is how the Court rules, that is --

19 THE COURT: That will have to be my position so that
20 if you want these to remain, for example, as a privileged
21 communication and confidential and sealed, I'm willing to
22 do that. But I am also going to deem that, assuming that
23 the Court concludes he may have a privilege to take some of
24 these matters, that there is a reasonable cause to believe
25 that there is something in these letters which warrant his
26 taking them.

27 So that will be the way I'm going to call
28 it.

1 500-1, do you want to offer that, or do you want
2 that --

3 MR. LITT: May I make a couple of preliminary inquiries
4 before I decide, Your Honor?

5 THE COURT: Very well.

6 MR. LITT: One, if these are offered will the Court
7 place these under seal, or are they being offered in a public
8 record?

9 THE COURT: If it is going to be received into evidence,
10 it will be a matter of public record.

11 On the other hand, if it is something that would
12 only be for identification and I conclude it is confidential,
13 I'll seal it, order it to remain sealed.

14 MR. LITT: My second inquiry would be, is the Court
15 going to find any waiver of any other spousal privilege
16 claims by -- if we determine to introduce these?

17 THE COURT: No, no. The Court will take the same
18 position as to any exhibits to which you contend is
19 confidential and can't be divulged and you don't want to put
20 it in evidence. If I agree with you that it is confidential,
21 at least it would be subject to a privilege; I'll order it
22 sealed and remain as an exhibit for identification. But I
23 am not going to consider it in substance as a basis for any
24 claimed damages unless I change my mind and conclude that
25 there is no defense based upon privilege.

26 MR. LITT: Then I think the way I would like to do it,
27 Your Honor, is I would basically like a determination so
28 that, at least the record is clear that it is privileged

1 based on the Court's ruling and statement that it could not
2 consider the contents unless -- cannot consider whether
3 Mr. Armstrong was entitled to take them unless we move them
4 into evidence. We would move them into evidence on that
5 basis, but we would like a determination that it is
6 privileged.

7 And we would move it into evidence based on the
8 Court's determination as to how it would treat the privileged
9 matter; is that agreeable with the Court?

10 THE COURT: Yes.

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1 MR. FLYNN: Your Honor, as I understand it, they are
2 not going to be in evidence?

3 THE COURT: Well I guess we will take one step at a
4 time.

5 I think this letter, the 500-1 probably would
6 in general fall within the privilege as a confidential
7 communication. It does not appear to me to be a letter which
8 was in the chain of command.

9 On the other hand, I can see why Mr. Armstrong
10 took it from some of the language in here consistent with
11 some of the other testimony he has given toward other
12 exhibits.

13 Now, if Mr. Litt wants to offer this in evidence,
14 it will be received in evidence and will remain as any other
15 exhibit in evidence.

16 If, on the other hand, if he wants it simply
17 to be left as an exhibit for identification, then I will so
18 leave it and it will be ordered sealed based upon the
19 conclusion that it was a confidential communication.

20 MR. FLYNN: We only add, Your Honor, that there is
21 extensive evidence that Mrs. Hubbard knew and even
22 acknowledged that personal letters were in the possession of
23 Mr. Armstrong in January, 1980. In fact, it is even in some
24 of the initial documents.

25 THE COURT: Well, I think it goes to the weight.
26 I don't think there is any waiver.

27 Let's go forward.

28 MR. LITT: Can I just take a quick look at it?

1 THE COURT: Surely.

2 MR. LITT: Your Honor, so I don't repeat it, any
3 requests for exhibits that we move in would be that they
4 be sealed.

5 THE COURT: All right. Well that request will be
6 denied as a general proposition.

7 MR. FLYNN: There is one further consideration, Your
8 Honor. If Mr. Litt picks and chooses one or two of these
9 letters which are the more innocuous type in a six-inch pile
10 of which 95 percent of the others relate to almost all
11 financial entanglements of Mr. Hubbard and the organization
12 and because he ran the organization as if it was his, the
13 informality of the communication between him and the second
14 in command would be evidence of the way he ran it, and if he
15 picks and chooses several innocuous ones while the great bulk
16 of them are of a totally different character, it would be
17 highly misleading in the record.

18 THE COURT: Well, we will do one thing at a time.

19 MR. LITT: Well, we will introduce it, Your Honor.

20 I want to make clear, I guess it is, but just
21 in case it is not that we are only moving documents in
22 because the court has adopted this defense and permitted
23 documents to be moved in.

24 THE COURT: Very well. That is understood.

25 I will receive 500-1.

26 500-2, I suppose goes along with 500-3 to do
27 with the tentative constitution of the nation of Rhodesia,
28 and the letter to Mr. Hubbard from Mr. Thomsson, principal

1 private secretary to the prime minister of Rhodesia.

2 Are you offering this into evidence,
3 Mr. Litt?

4 MR. LITT: Yes, Your Honor.

5 THE COURT: Any objection, Mr. Flynn?

6 MR. FLYNN: No, no objection to that exhibit, Your
7 Honor.

8 THE COURT: All right, receive 500-2 and 500-3.

9 500-4, another letter to Susie from Mr. Hubbard
10 from Tangiers, at least it is on the letterhead of the hotel
11 in Tangiers.

12 MR. LITT: We would like a spousal privilege ruling
13 on this, Your Honor.

14 THE COURT: I would think -- I'd find this would be
15 a privileged communication.

16 MR. LITT: And based on the previous discussion and
17 the court's ruling in that regard, we will move it in.

18 THE COURT: Any objection?

19 MR. FLYNN: Well the same objection, Your Honor, to
20 any spousal communication, Your Honor. Your Honor excluded
21 spousal communication that we had offered which is more
22 reflective, we think, of the six inches of letters down
23 there to allow --

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1 THE COURT: As I have indicated, if they objected to
2 it, they can't claim any element of damages based upon it
3 as far as I am concerned.

4 I'll receive 4 in evidence.

5 They want it in evidence; it will be just another
6 exhibit.

7 Exhibit 500-5 is another one of 8 January, '67.
8 This, again, appears to be a privileged communication.

9 MR. LITT: We would move it in based on the same
10 understanding previously discussed.

11 MR. FLYNN: We would just make the same objection.

12 THE COURT: I'll overrule the objection.

13 I'll receive it.

14 6 is another letter. This would also appear to
15 be a privileged communication.

16 MR. LITT: Move it in on the same understanding.

17 MR. FLYNN: Same objection, Your Honor.

18 THE COURT: All right. It will be received.

19 7. All right. This would appear to be a
20 privileged communication.

21 MR. LITT: Move it in on the same understanding.

22 THE COURT: I'll deem the same objection raised;
23 overruled.

24 It will be received.

25 500-8, Rosie has a note here, "has no page
26 number."

27 MR. LITT: Page 5 is missing, Your Honor. It looks
28 like it is just misnumbered.

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1 THE COURT: All right. It appears to be another
2 communication which will be privileged.

3 MR. LITT: Move it in on the same understanding.

4 THE COURT: I'll deem the same objection; overruled.
5 I'll receive it.

6 9 is to "Dear Arthur." I guess it is a father
7 to son.

8 MR. LITT: Move that in, Your Honor.

9 THE COURT: All right. It will be received.

10 10 is another privileged communication.

11 MR. LITT: Move it in on the same understanding.

12 THE COURT: All right. I'll deem the same objection;
13 overruled; receive it.

14 The next one here the next number is 14 here,
15 a letter from Mr. Hubbard to his son Ron, February 20, '38.

16 Are you offering this?

17 MR. LITT: Yes.
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1 MR. LITT: Yes, Your Honor.

2 THE COURT: Any objection?

3 MR. FLYNN: Relevancy, Your Honor.

4 THE COURT: Oh, I will receive it.

5 MR. LITT: And we are moving 15, Your Honor.

6 MR. FLYNN: No objection, Your Honor.

7 THE COURT: All right, will be received.

8 MR. LITT: We are moving 16.

9 MR. FLYNN: There, Your Honor, same type of objection
10 that we had to -- we attempted to move into evidence
11 some correspondence between Mr. Hubbard and his earlier
12 wives.

13 MR. LITT: This is not --

14 MR. FLYNN: I understand that.

15 MR. LITT: Wait, I am sorry. Let me just -- yes,
16 on this, Your Honor, we would also look for a privilege
17 determination and then we'd move it in.

18 MR. FLYNN: This was the mother; is that correct?

19 MR. LITT: Oh, this is the mother. No, this is not
20 a privilege. I am sorry.

21 THE COURT: I don't know what -- maybe Mr. Harris'
22 client who would have presumably an interest in this --

23 MR. LITT: Your Honor, I am just moving in for both
24 of us, but that would be just introduced in terms of
25 distributing private information. That wouldn't come within
26 the ambit of this defense, to the extent that it is applicable
27 would be the argument.

28 THE COURT: All right, I will receive 16.

1 17 is to "Dearest Ron, Dearest Polly" signed
2 "Mom." Are you offering that, Counsel?

3 MR. LITT: Yes, Your Honor, but -- yes, no but.

4 THE COURT: Any objection?

5 MR. FLYNN: No, no objection.

6 THE COURT: Be received.

7 500-18 is too, I guess, from Mr. Hubbard's
8 father to Ron Hubbard, USS Black Hawk. Are you offering
9 this?

10 MR. LITT: Yes, Your Honor.

11 THE COURT: Any objection?

12 MR. FLYNN: No objection.

13 THE COURT: All right, be received.

14 22 is a letter from LRH to his mother April 14,
15 '55.

16 MR. LITT: We will offer that, Your Honor.

17 THE COURT: Any objection?

18 MR. FLYNN: No objection.

19 THE COURT: Be received.

20 23 is a letter to Ron and Sue from Dad,
21 Port Orchard, Washington, '57. Are you offering this,
22 Counsel?

23 MR. LITT: Yes, Your Honor.

24 THE COURT: Any objection?

25 MR. FLYNN: No objection.

26 THE COURT: All right, be received.

27 24 is a letter to Ron from Dad, September 13, '58.
28 Are you offering this?

1 MR. LITT: Yes, Your Honor.

2 THE COURT: Any objection?

3 MR. FLYNN: No objection.

4 THE COURT: Be received.

5 Exhibit 25 is a letter to Ron from Mom,
6 September 15, '58. Are you offering this?

7 MR. LITT: Yes, Your Honor.

8 MR. FLYNN: No objection.

9 THE COURT: All right be received.

10 26 is a letter from the U.S. Naval Hospital,
11 Bremmerton from Dad to Ron and Sue. Are you offering this?

12 MR. LITT: Yes, Your Honor.

13 THE COURT: Any objection?

14 MR. FLYNN: No objection.

15 THE COURT: All right, be received.

16 27 is a letter to Ron and Sue from Dad,
17 January 12, 1956. Are you offering this?

18 MR. LITT: Yes, Your Honor.

19 THE COURT: Any objection?

20 MR. FLYNN: No objection.

21 THE COURT: Be received.

22 29 is a letter from the Knickerbocker Hotel --

23 MR. FLYNN: 28 we skipped over?

24 THE COURT: I guess we didn't mark it.

25 MR. LITT: We didn't mark 28.

26 THE COURT: 29.

27 I am not sure who this is from or who it is to.

28 MR. LITT: I believe the testimony was it is a letter

1 from Mr. Hubbard to his first wife, Louise Grubb Hubbard.

2 Yes, that was the testimony.

3 We would ask for a privilege finding on this,
4 Your Honor, and we would move it on the same understanding.

5 MR. FLYNN: We'd make the same objection as before,
6 Your Honor.

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1 THE COURT: Well, it is something that is between
2 Mr. Hubbard and --

3 Who was he married to in 1938?

4 MR. LITT: Louise Grubb Hubbard.

5 MR. FLYNN: Who was called "Polly."

6 THE COURT: It says "My dearest one."

7 MR. LITT: She was also called "Skipper" by
8 Mr. Hubbard.

9 MR. FLYNN: We would be willing to stipulate. I think
10 I am a little familiar with the letter.

11 MR. LITT: Mr. Armstrong testified to that, Your Honor.

12 MR. FLYNN: We would stipulate that it is between
13 Mr. Hubbard and his first wife; however, our view is, again,
14 the overall character of the letters better those two,
15 for example, we intend to introduce the other --

16 THE COURT: I have concluded that there was a privilege
17 as between Mr. Hubbard who is not here to claim it and his
18 first wife who is not here to claim it.

19 MR. FLYNN: Who is deceased.

20 THE COURT: I don't know that she is deceased. I'll
21 accept your representation.

22 MR. LITT: As far as I know, that is accurate.

23 THE COURT: And I gues the Church is purportedly
24 asserting it. Whatever, I'll receive it.

25 30 is a letter to Skipper from the Knickerbocker
26 Hotel from Ron, 12-8-39.

27 MR. FLYNN: The same category; same objection, Your
28 Honor.

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1 MR. LITT: We would ask for the same privileged
2 determination and move it in.

3 THE COURT: It would be privileged if somebody was here
4 to claim it.

5 Well, I'll receive it. 30 will be received into
6 evidence.

7 MR. LITT: Has the Court found that it is privileged?

8 THE COURT: It is privileged, but I am not sure anybody
9 here has a legitimate right to assert it. I'm not sure that
10 the Church has any right to vicariously assert this unless
11 they want to stipulate that they are the alter ego of
12 Mr. Hubbard.

13 MR. LITT: There is no such stipulation, Your Honor.

14 One, there is a question of whether Mrs. Hubbard
15 could do it. But even aside from that, I think the issue
16 can be raised spontaneously since there is a privilege
17 involved unless there is a showing of waiver.

18 THE COURT: Well, whatever, I'll receive it. I won't
19 take the time to research the law.

20 31 is another one.

21 MR. LITT: We would, again, ask for a privileged
22 determination and move it in, Your Honor.

23 MR. FLYNN: Same objection, Your Honor. We think there
24 has been a waiver. We don't think any privilege applies.
25 We think it has got to be asserted by Mr. Hubbard.

26 THE COURT: Well, are you objecting to its
27 introduction? I'm not sure whether you are objecting to
28 his contentions or objecting to the introduction of the

1 MR. FLYNN: I am objecting to his contentions with
2 regard to all the findings of privilege and then, therefore,
3 the introduction. Because the condition we are in, there
4 has been a judicial finding that they are privileged and then
5 an introduction into evidence to prove that Mr. Armstrong
6 has violated the privilege. So we are in kind of a Catch-22
7 situation.

8 We think all of these documents were voluntarily
9 given to Mr. Armstrong who voluntarily gave them to
10 Mr. Garrison with Mr. Hubbard's permission.

11 Mr. Hubbard has not come forward to say anything
12 different than the evidence that is in the record.

13 THE COURT: I think that is probably a valid point as
14 to these letters from Mr. Hubbard to Skipper. So they will
15 be received.

16 32 is the same category.

17 Are you offering that, counsel?

18 MR. LITT: Yes, Your Honor.

19 THE COURT: Same ruling. It will be received.

20 March 29, '40, "Red head" to "Sweetheart."

21 I assume that is the same category?

22 MR. FLYNN: That is, Your Honor.

23 THE COURT: Are you offering it?

24 MR. LITT: Yes.

25 THE COURT: All right.

26 It will be received.

27 33, are you offering that in evidence?

28 MR. LITT: Yes, Your Honor.

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THE COURT: Same ruling.
It will be received.

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1 34 is to Skipper from Red Head. Same situation?

2 MR. FLYNN: Yes, Your Honor.

3 MR. LITT: Yes, Your Honor.

4 THE COURT: Are you offering it in evidence?

5 MR. LITT: Yes, Your Honor.

6 THE COURT: All right, same ruling. Be received.

7 40 is a letter to Red Head from Skipper.

8 MR. LITT: I think -- I thought we were at --

9 Your Honor, do you have 37 there that is marked?

10 THE COURT: The last we had was 34.

11 MR. LITT: And then I think you moved to 40, but my
12 notes show that the next one should be 37.

13 THE CLERK: No, 37 wasn't even in the folder.

14 MR. LITT: Okay. All right, then, I guess my notes
15 are wrong.

16 THE COURT: Well, this letter concerns a lot of
17 personal information about this former wife, deceased, and
18 I don't see any reason for that to go into the public domain.

19 Are you offering this exhibit 40?

20 MR. LITT: Yes, Your Honor.

21 As with everything, we do ask that all of
22 these things be sealed, of course.

23 THE COURT: Well she is not a party in this action.
24 She didn't do anything to invite it. Of course, she is
25 deceased, but she might have some heirs and so forth that
26 would be upset with this.

27 I will receive it, but I will order it sealed,
28 not to be opened except under further order of the court.

1 41, is another letter from her. Are you
2 offering this in evidence?

3 MR. LITT: Yes, Your Honor.

4 THE COURT: There was a privilege and it was weighed.
5 All right, I will receive it.

6 Exhibit 42, another -- -- well, same category.
7 Are you offering this?

8 MR. LITT: Yes, Your Honor.

9 THE COURT: All right, I will receive it, 42.

10 43 is a letter from Skipper. It is typed,
11 to Mr. Hubbard.

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1 THE COURT: Are you offering this in evidence?

2 MR. LITT: Yes, Your Honor.

3 THE COURT: All right. It will be received.

4 44 is a letter to Mr. Hubbard from his wife at
5 that time.

6 MR. FLYNN: Same objection, Your Honor, to all of
7 these.

8 THE COURT: All right. Are you offering that,
9 counsel?

10 MR. LITT: Yes, Your Honor.

11 THE COURT: It will be received.

12 45; are you offering that?

13 MR. LITT: Yes, Your Honor.

14 THE COURT: The same objection will be deemed entered;
15 overruled.

16 It will be received.

17 46, another letter; are you offering that?

18 MR. LITT: Yes, Your Honor.

19 THE COURT: The same objection deemed entered; same
20 ruling.

21 It will be received.

22 500-47, the same category; are you offering that,
23 counsel?

24 MR. LITT: Yes, Your Honor.

25 THE COURT: The same objection deemed raised; overruled;
26 received.

27 Is that about all the plaintiff's exhibits?

28 MR. LITT: We are close, Your Honor.

1 THE COURT: 51 is miscellaneous things, funeral oration
2 for Peggy Conway.

3 MR. FLYNN: No objection, Your Honor. It has to do
4 with some people that are deceased, apparently.

5 THE COURT: Are you offering that, counsel?

6 MR. LITT: Yes, Your Honor.

7 THE COURT: It will be received.

8 52 says "LRH handwritten dispatches."

9 Are you offering this, counsel?

10 MR. LITT: Can I take a look at that, Your Honor?

11 THE COURT: Yes.

12 MR. LITT: We'll offer it, Your Honor.

13 THE COURT: Any objection, Mr. Flynn?

14 MR. FLYNN: No, Your Honor.

15 THE COURT: It will be received.

16 54 is a share certificate, 9 shares, in the name
17 of L. Ron Hubbard; are you offering this, counsel?

18 MR. LITT: Yes, Your Honor.

19 THE COURT: Any objection?

20 MR. FLYNN: No, Your Honor.

21 THE COURT: Very well. It will be received.

22 55 is a little envelope; apparently it has a
23 receipt for 330 pounds, 10 percent deposit on the Ketch
24 "Isabel" 30 March, '61.

25 Are you offering this in evidence?

26 MR. LITT: Yes, Your Honor.

27 THE COURT: Any objection?

28 MR. FLYNN: No objection.

1 THE COURT: It will be received.

2 56 is to whom it may concern, a draft of a
3 letter. "This will certify that Charles Shepperdson
4 was employed Saint Hill from '63 to '64. Should
5 he desire references, we would be pleased to
6 give one."

7 Are you offering this, counsel?

8 MR. LITT: Yes, Your Honor.

9 MR. FLYNN: No objection.

10 THE COURT: Be received.

11 A blue binder, LRH Will and a key envelope to
12 Dr. Hubbard's bedroom desk.

13 Are you offering that? This is October 28, 1959.

14 MR. LITT: May I take a look at that?

15 THE COURT: Apparently there are some other things in
16 here. Maybe they are drafts of a Will. Let's see what
17 else. LRH Birth Certificate, "Do not give out originals,
18 photostats." Codicil to Mr. Hubbard's Will of January 18,
19 '60.

20 MR. LITT: We'll offer it, Your Honor.

21 THE COURT: Any objection?

22 MR. FLYNN: No objection.

23 THE COURT: It will be received.

24 58 is just a little writing nonpublished, the
25 original manuscript of Excalibur.

26 Are you offering that?

27 MR. LITT: Yes, Your Honor.

28 Mr. Armstrong testified that went along with

1 a copy of the manuscript.

2 THE COURT: Any objection?

3 MR. FLYNN: Only that it should be put with the
4 manuscript.

5 THE COURT: Where is the manuscript?

6 MR. LITT: It is under seal. It is unpublished. And
7 we don't intend to introduce it, Your Honor.

8 THE COURT: I'll just leave it as it is.

9 There is a collection of 59, LRH notes,
10 handwritten data, et cetera, letters, envelopes; a letter
11 from Nibs to Daddy.

12 "Dear Henrietta," "Nibs." "Helena, Montana,"
13 other things.

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1 MR. LITT: We will offer this, Your Honor.

2 THE COURT: Any objection?

3 MR. FLYNN: No objection.

4 THE COURT: All right, be received.

5 61 and 62 are just apparently letters from
6 Travers to Moxon of the Church of Scientology about the
7 VA claim and then the disallowance sheet.

8 MR. LITT: May I take a look at that?

9 THE COURT: Yes.

10 MR. FLYNN: We have no objection to those.

11 MR. LITT: I don't think we will offer this.

12 THE COURT: You want to offer this?

13 MR. FLYNN: We will offer them.

14 THE COURT: All right, be received.

15 It think they are probably just duplications --
16 is that all the plaintiff's exhibits?

17 MR. LITT: There is one other category of exhibits
18 that were left.

19 THE COURT: That is right. There were some when we
20 went through this originally that Mr. Harris wanted to wait.
21 Did you want to offer all of those?

22 MR. LITT: If you can give me one moment, I can
23 take a quick look.

24 THE COURT: Oh, you were going to provide the clerk
25 with the pages from the book.

26 MR. LITT: Yes, that is what we were just talking about
27 and it got overlooked. I will have it delivered this
28 afternoon and have a copy delivered -- well, I think they have

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1 the book actually.

2 MR. FLYNN: If you can just bring a copy tomorrow to
3 court, that is fine.

4 MR. LITT: Your Honor, I think what we have at this
5 point is 62, -3, -4, -5, -6, -7 and 69.

6 THE COURT: Do you have any objection to those
7 exhibits, Mr. Flynn?

8 MR. FLYNN: No, Your Honor. We'd offer them if
9 they don't.

10 THE COURT: All right. They will be received.

11 MR. FLYNN: These exhibits --

12 THE CLERK: 62, 63, 64 to 68?

13 MR. LITT: 68 is in.

14 MR. FLYNN: Yes, 62 it starts and it goes up to 69.

15 MR. LITT: Except for 68, and for the record these
16 are also, Your Honor, being offered only on the same basis
17 as the others. I believe they come from the archives.

18 THE COURT: Very well. So understood.

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1 MR. LITT: And according to my records here, Your Honor,
2 100, I don't know whether the Court actually received it
3 into evidence or not or held off.

4 I would ask that it be moved in and I will have
5 delivered this afternoon a copy to the Court.

6 THE COURT: It will be received. Those are the pages
7 from the book?

8 MR. LITT: Yes.

9 THE COURT: It will be received.

10 Do you want to read those numbers again?

11 MR. LITT: It begins with 62, 63, 64, 65, 66, 67, and
12 then 69.

13 THE COURT: All right.

14 MR. LITT: And then 100 has now also been admitted.

15 THE COURT: Does that take care of all of our business
16 for the day?

17 MR. LITT: I believe it does, Your Honor.

18 MR. FLYNN: One thing, Your Honor: We need copies of
19 several exhibits. And we would like the Court's permission
20 to make arrangements with the clerk to figure out how we can
21 now get these copies and take them upstairs to the sixth floor
22 and have copies made and then returned or have her do it and
23 then bill us or whatever arrangements can be made.

24 THE COURT: I'll authorize the clerk to do it as she
25 sees fit.

26 MR. LITT: Your Honor, we would ask at this time,
27 until the case is over, that any copies that are made, that
28 the order presently be for use only in this case. I know

1 that they have been received into evidence. Depending on
2 what happens in the case, we may have further motions on this
3 after the Court rules. And so we do feel that that is
4 appropriate, at least at this time.

5 MR. FLYNN: Your Honor, these exhibits, many of them --
6 some of which I brought with me from Boston, they are being
7 used in cases all over the country.

8 MR. LITT: I'm talking about the formerly sealed
9 exhibits, the ones that came from the archives. I'm not
10 talking about any other exhibits.

11 THE COURT: Well, I don't really -- I can't think of
12 anything that is going to cause me to change my position on
13 these things. What is in evidence is evidence. They are
14 going to be here. They are going to have access to them.

15 MR. LITT: If Mr. Flynn is talking about having copies
16 made now of those --

17 THE COURT: I assume he is only going to use them in
18 connection with the case.

19 MR. FLYNN: That is true, Your Honor.

20 One other thing --

21 MR. LITT: Can we have an order to that effect? I am
22 not impugning anybody's integrity.

23 MR. FLYNN: We are not asking for copies of sealed
24 documents.

25 MR. LITT: That is fine; no problem.

26 MR. FLYNN: I take it in these arguments tomorrow there
27 will be arguments on the law also in addition to arguments
28 on the facts?

1 THE COURT: Whatever you want to argue.

2 MR. LITT: That gives sufficient flexibility.

3 THE COURT: As long as you can finish.

4 MR. LITT: Whatever you can say in 20 minutes?

5 MR. FLYNN: There will be no time limits, apparently.

6 THE COURT: Well, unless I get awful impatient.

7 I assume that counsel are thinking in terms of
8 winding this whole thing up tomorrow as far as the arguments
9 are concerned?

10 MR. LITT: I would hope so, Your Honor.

11 THE COURT: So I think you and Mr. Harris ought to get
12 together to allow Mr. Flynn to have a decent amount of time.
13 I'm not going to limit him.

14 MR. LITT: We have discussed it. And our plan for the
15 combined opening between the two of us which will deal with
16 different areas will be an hour and a half to an hour and
17 forty-five minutes which I think is in line with what the
18 Court is thinking.

19 THE COURT: As long as counsel are going to be
20 reasonable, I am not going to cut anybody off. We have been
21 here for six weeks.

22 I'll see you tomorrow at 9:00 a.m.

23 (At 10:25 a.m. an adjournment was taken
24 until Friday, June 8, 1984; at 9:00 a.m.)
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